

WEED, HUBBARD, BERRY & DOUGHTY, PLLC**ATTORNEYS AT LAW****SUITE 1420, SUNTRUST BANK BUILDING
201 FOURTH AVENUE, NORTH
NASHVILLE, TENNESSEE 37219**

Telephone: (615) 251-5444

Facsimile: (615) 251-5453

PAGES INCLUDING COVER SHEET: 20

TO: Mr. Paul Eggers, Deputy Commissioner Fax #: 279-7660
FROM: Bill Hubbard
DATE: July 2, 2003
SUBJECT: Universal Liquidation

MESSAGE: See attached copy of certified order. Thank you.

OPERATOR: MWard

CONFIDENTIALITY NOTE:

The information contained in this facsimile message is legally privileged and confidential information intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copy of this telecopy is strictly prohibited. If you have received this telecopy in error, please immediately notify us by telephone and return the original message to us at the address above via the United States Postal Service. Thank you.

IN THE CHANCERY COURT OF THE STATE OF TENNESSEE
 TWENTIETH JUDICIAL DISTRICT, DAVIDSON COUNTY

STATE OF TENNESSEE, ex rel.)
 PAULA A. FLOWERS, Commissioner of)
 Commerce and Insurance for the State)
 of Tennessee,)

Petitioner,)

v.)

UNIVERSAL CARE OF TENNESSEE,)
 INC., a Tennessee for-profit health)
 maintenance organization, UNIVERSAL)
 CARE HEALTH SYSTEMS, INC., a)
 California corporation, and UNIVERSAL)
 CARE, INC., a California corporation,)

Respondents.)

RECEIVED

JUN 26 2003

Day. Co. Chancery Court

NT

No. 03-1614-II

CLERK & MASTER
 DAVIDSON CO. CHANCERY CT.

2003 JUL 2 PM 12:28

FILED

**FINAL ORDER APPOINTING COMMISSIONER
 FOR PURPOSES OF LIQUIDATION OF RESPONDENT UNIVERSAL
 CARE OF TENNESSEE, INC.; AND PERMANENT INJUNCTION**

This cause came on to be heard on June 25, 2003, on the Verified Petition of the Commissioner of the Tennessee Department of Commerce and Insurance, Paula A. Flowers ("Commissioner or Department"), requesting entry of an Order of Liquidation of Respondent Universal Care of Tennessee, Inc. ("Universal," "Respondent," or "insurer"), pursuant to Tenn. Code Ann. § 56-9-306 and § 56-32-217. The Verified Petition was filed on June 5, 2003. Respondent Universal filed a response on June 25, 2003. Based upon the Verified Petition and exhibits thereto, the response of the Respondent Universal, the arguments of counsel, the

applicable law, and the entire record in this case, this Court **FINDS** that the Commissioner's Petition for an Order of Liquidation and Permanent Injunction should be granted.

The Court further **FINDS** that:

1. This Court has subject matter jurisdiction of this action pursuant to Tenn. Code Ann. § 56-9-104, and venue of this action is properly in the Chancery Court of Davidson County pursuant to Tenn. Code Ann. § 56-9-104(e).

2. Pursuant to Tenn. Code Ann. § 56-9-133, the Verified Petition and exhibits thereto have been received as prima facie evidence of the facts contained therein.

3. Respondent Universal Care of Tennessee, Inc., is a for-profit corporation, incorporated in the State of Tennessee and holding a certificate of authority from the Commissioner to operate as a Tennessee domestic HMO, thereby becoming subject generally to the standards of Tenn. Code Ann. §§ 56-32-201, *et seq.* Universal had contracted with the State of Tennessee's TennCare Bureau in the Department of Finance and Administration to provide health care benefits to persons enrolled in the State's TennCare program, until June 1, 2003, when the CRA terminated. Universal operated a TennCare health plan which served approximately 95,000 TennCare enrollees at the time of termination. Universal received 100% of its revenue from the CRA with the State. The President and CEO of Universal is Jay B. Davis.

4. Petitioner, Paula A. Flowers, is the duly appointed Commissioner of Commerce and Insurance for the State of Tennessee. Pursuant to the Tennessee Insurers Rehabilitation and Liquidation Act (hereinafter "the Act"), Tenn. Code Ann. §§ 56-9-101, *et seq.*, the liquidation of a domestic insurer, which includes prepaid health care delivery plans, is to be conducted by the

Commissioner and her successors in office after her appointment as Liquidator by the Court. Tenn. Code Ann. §§ 56-9-301, *et seq.* Pursuant to Tenn. Code Ann. § 56-32-217(a), any rehabilitation, liquidation, conservation or supervision of a health maintenance organization (HMO) shall be deemed to be the rehabilitation, liquidation, conservation or supervision of any insurance company and shall be conducted under the supervision of the Commissioner pursuant to the Act.

5. Tenn. Code Ann. § 56-9-306, under “FORMAL PROCEEDINGS” in the Act, authorizes the Commissioner, in her discretion, to petition the Davidson County Chancery Court for an Order authorizing her to liquidate a domestic insurance company. Health maintenance organizations, such as Universal, are deemed to be “insurers” for purposes of applying the Act. *See* Tenn. Code Ann. § 56-9-103(12) and § 56-9-102(7). Under Tenn. Code Ann. § 56-9-306, a liquidation proceeding may be based upon one or more of the grounds stated in Tenn. Code Ann. § 56-9-301 or 56-9-306, including that the insurer is insolvent, or that the insurer is in such condition that further transaction of business would be hazardous financially to its policyholders, creditors or the public. “Insolvency” is defined under the Act as when an insurer is “unable to pay its obligations when they are due, or *when its admitted assets do not exceed its liabilities*, plus the greater of: (i) Any capital and surplus required by law for its organization; or (ii) the total par or stated value of its authorized and issued capital stock.” Tenn. Code Ann. § 56-9-103(11)(B) (emphasis added).

6. The HMO statute specifically permits the Commissioner to apply for an order directing the Commissioner to rehabilitate, liquidate, conserve or supervise a health maintenance organization under the Act for any ground set out in title 56, chapter 9, or, when, in the

Commissioner's opinion, the continued operation of the health maintenance organization would be hazardous either to the enrollees or to the people of this state. Tenn. Code Ann. § 56-32-217(a). In the case of a net worth deficiency of an HMO, Tenn. Code Ann. § 56-32-212(a)(7) specifically permits the Commissioner to take action against the HMO under Tenn. Code Ann. § 56-32-217 if:

(C) The commissioner determines that *an improper working capital or net worth status cannot be corrected within a reasonable time*; or

(D) The commissioner determines that *an organization is in such financial condition that the transaction of further business would be hazardous to its enrollees, its creditors, or the public*. (Emphasis added).

7. On March 1, 2003, Universal filed its NAIC Annual Statement with TDCI for the year ending December 31, 2002. This Annual Statement reported that Universal had a net worth, as of December 13, 2002, of \$6,809,449.00, resulting in a statutory net worth deficiency of \$858,385.00 (prior to any adjustments by TDCI for inaccurate reporting). Adjustments by TDCI for inaccurate reporting on this Annual Statement reduced Universal's net worth to a negative \$2,784,325, thus giving Universal an adjusted statutory net worth deficiency of approximately \$10,452,159.

8. Additionally, this Annual Statement listed as an admitted asset \$44,723,508 in "accident and health care premiums due and unpaid" as a receivable allegedly due from the TennCare Bureau. These are disputed receivables and, therefore, cannot, as a matter of law, qualify as admitted assets pursuant to Tenn. Code Ann. § 56-32-212(a)(5)(F), which provides that only "undisputed . . . receivables due from the United States or this state" may be considered

an admitted asset for net worth purposes. Without these disputed receivables, Universal's net worth is further reduced to a negative \$47,507,833, resulting in a statutory net worth deficiency of \$55,175,667, as of December 31, 2002.

9. On April 2, 2003, the State delivered a letter to Universal, in which it gave second written notice to Universal that its CRA with the State of Tennessee *d/b/a* TennCare Bureau was terminated effective June 1, 2003. Such termination became effective as of midnight, May 31, 2003, and the TennCare Bureau has not executed a new Contractor Risk Agreement with Universal. Additionally, effective June 1, 2003, all of Universal's TennCare enrollees were transferred by the TennCare Bureau to the backup program, TennCare Select.

10. On June 3, 2003, Universal submitted its First Quarter 2003 NAIC Statement to TDCI. This statement shows that Universal continues to remain significantly insolvent. Universal's reported net worth of \$6,451,709 as of March 31, 2003, results in a statutory net worth deficiency of \$1,216,125 prior to any adjustments by TDCI for inaccurate reporting. Universal continued to report alleged receivables of \$54,436,971 due from the TennCare Bureau as counter to the liabilities for claims before April 12, 2002. These receivable are considered in dispute and are thus considered non admitted assets for statutory accounting purposes. Adjustments for the disputed receivables causes Universal's net worth to be reduced to a negative \$47,985,262, resulting in a net statutory net worth deficiency of \$55,653,096 as of March 31, 2003.

11. The Commissioner has reasonably determined, and the Court finds, that Universal is insolvent and/or in a condition which is hazardous, financially and otherwise, to its enrollees, providers, creditors and the public in general, as demonstrated by Universal's own financial

statements filed with the Tennessee Department of Commerce and Insurance and/or the TennCare Bureau. Accordingly, this Court finds that the Commissioner has demonstrated that the grounds for liquidation, pursuant to Tenn. Code Ann. § 56-9-306, exist and, therefore, that an order of liquidation of Respondent Universal should be entered by this Court.

IT IS THEREFORE, ORDERED ADJUDGED and DECREED that:

1. The Commissioner of Commerce and Insurance for the State of Tennessee, Paula A. Flowers ("Commissioner"), in her official capacity or her successors in office, is appointed Liquidator ("Liquidator") of **Universal Care of Tennessee, Inc.**, a Tennessee domiciled health maintenance organization ("Universal", Respondent" or "insurer") for purposes of liquidation as provided by Tenn. Code Ann. §§ 56-9-306, and 307 with all the powers conferred by law on receivers and liquidators of insurers appointed under those statutes. In addition to those powers specifically enumerated in this Final Order of Liquidation and by operation of law under Tenn. Code Ann. §§ 56-9-101 *et seq.* for liquidators of insurers, the Liquidator shall have the power to exercise all powers now held or hereafter conferred upon receivers by the laws of this state not inconsistent with Tenn. Code Ann. §§ 56-9-101, *et seq.*;

2. Pursuant to Tenn. Code Ann. § 56-9-307, the Commissioner, as Liquidator, is authorized and directed forthwith (1) to take possession of all accounts, assets, monies, and property (both tangible and intangible) belonging to, held by and/or in the name of Universal Care of Tennessee, both within and outside the State of Tennessee, (2) to be vested by operation of law with the title

to all of the property, contracts and rights of action, and all of the accounts, assets, monies, books and records of the insurer, wherever located, as of the date of entry of the liquidation order, and any further title or rights in property gained by the Commissioner by virtue of such receivership, and (3) to have the right to recover the same and reduce the same to possession and to administer them under the general supervision of the Court with all the powers granted a Liquidator and receivers under Tenn. Code Ann. §§ 56-9-101 *et seq.* The Commissioner shall have immediate access to and shall occupy and control the premises and all records, databases, and computer files used to carry out the business of Universal, regardless of their location and possession;

3. Any bank, savings and loan association, financial institution or other person, which has on deposit, in its possession, custody or control any funds, accounts and any other assets of Universal Care of Tennessee, including financial institution accounts held in the name of other account holders, shall immediately transfer title, custody and control of all such funds, accounts, or assets to the Liquidator, and are hereby instructed that the Liquidator has absolute control over such funds, accounts and other assets. The Liquidator may change the name of such accounts and other assets, withdraw them from such bank, savings and loan association or other financial institution, or take any lesser action necessary for the proper conduct of this receivership. No bank, savings and loan association or other financial institution shall exercise any form of set-off, alleged set-off, lien,

any form of self-help whatsoever, or refuse to transfer any funds or assets to the Liquidator's control without the permission of this Court;

4. Any entity (including any affiliate of Universal), including but not limited to Universal Care, Inc. (UCI) and Universal Care Health Systems (UCHS), which has custody, control or possession of any data processing information and records (including but not limited to source documents, all types of electronically stored information, master tapes, hard drives or any other record information) relating to or pertaining to Universal, shall make immediately available to the Commissioner as Liquidator for review and inspection of all such records in a form readable and/or accessible by the Commissioner, as of the date of this Order, unless instructed to the contrary by the Commissioner as Liquidator. The Commissioner is authorized to make the determination as to which records, in the custody, control and possession of any entity other than Universal, relate to or pertain to Universal. If a dispute arises as to which records relate to or pertain to Universal, the entity shall file a motion with this Court for a hearing to resolve the dispute;

5. Pursuant to Tenn. Code Ann. § 56-9-307, the rights and liabilities of Universal and of its creditors, policyholders, shareholders, members and all other persons interested in its estate shall become fixed as of the date of the entry of this Order of Liquidation, except as provided in Tenn. Code Ann. §§ 56-9-308 and 326;

6. Pursuant to Tenn. Code Ann. § 56-9-308, all policies, including bonds and other noncancellable business, in effect at the time of issuance of this Order of Liquidation shall continue in force only for the lesser of: (1) a period of thirty (30) days after the date of entry of the Order of Liquidation, (2) the expiration of the policy coverage; (3) the date when the insured has replaced the insurance coverage with equivalent insurance in another insurer or otherwise terminated the policy, (4) the date when the Liquidator has effected a transfer of the policy obligation pursuant to Tenn. Code Ann. § 56-9-310(a)(10), or, (5) the date proposed by the Liquidator and approved by the Court to cancel coverage. The Liquidator proposes and the Court hereby approves that all outstanding policies and coverage be canceled on _____, 2003 [31st day after date of entry of this Order] at 12:01 a.m.;

7. This Order of Liquidation shall terminate coverage at the time specified in Tenn. Code Ann. § 56-9-308(a) for purposes of any other statute;

8. The Liquidator shall have all the powers enumerated in Tenn. Code Ann. § 56-9-310, including the power to appoint a special deputy or deputies to act for her and to determine their reasonable compensation. One such special deputy to be appointed by the Commissioner for purposes of liquidation is ***Paul Eggers***. The special deputy shall have all powers of the Liquidator as granted by this Order and as enumerated in Tenn. Code Ann. § 56-9-310. The special deputy shall serve at the pleasure of the Liquidator;

9. The Liquidator shall have the power to employ employees and agents, legal counsel, actuaries, accountants, appraisers, consultants and such other personnel as the Liquidator may deem necessary to assist in the liquidation, including, but not limited to, Universal Care, Inc. and Universal Care Health Systems, or any subcontractor thereof. If requested by the Liquidator, all legal counsel, actuaries, accountants, appraisers, consultants, subcontractors or vendors employed or retained by Universal, or performing services for or on behalf of Universal as of the date of this Order shall, within 30 days of such request, report to the Liquidator the nature and status of the services they are handling or providing for or on behalf of Universal. Said report shall include an accounting of any funds received from or on behalf of Universal for any purposes and in any capacity as of the date of any such request from the Liquidator;

10. The Liquidator shall have the power to fix reasonable compensation of employees and agents, legal counsel, actuaries, accountants, appraisers and consultants with the approval of the Court, and shall have power to pay reasonable compensation to persons appointed and to defray from the funds or assets of the insurer all expenses of taking possession of, conserving, conducting, liquidating, disposing of, or otherwise dealing with the business and property of the insurer;

11. The Liquidator shall have the power to hold hearings, to subpoena witnesses to compel their attendance, to administer oaths, to examine any person under oath, and to compel any person to subscribe to his or her testimony after it

has been correctly reduced to writing; and in connection therewith to require the production of any books, papers, records or other documents which he deems relevant to the inquiry;

12. The Liquidator shall have the power to audit the books and records of all agents of the insurer insofar as those records relate to the business activities of the insurer;

13. The Liquidator shall have the power to acquire, hypothecate, encumber, lease, improve, sell, transfer, abandon or otherwise dispose of or deal with, any property of the insurer at its market value or upon such terms and conditions as are fair and reasonable. The Liquidator shall also have power to execute, acknowledge and deliver any and all deeds, assignments, releases and other instruments necessary or proper to effectuate any sale of property or other transaction in connection with the liquidation;

14. The Liquidator shall have the power to enter into such contracts as are necessary to carry out the Order of Liquidation, and to affirm or disavow any contracts to which the insurer is a party;

15. The Liquidator shall have the power to continue to prosecute and to institute in the name of the insurer or in the Liquidator's own name any and all suits and other legal proceedings, in this state or elsewhere, and to abandon the prosecution of claims the Liquidator deems unprofitable to pursue further;

16. The Liquidator shall have the power to prosecute any action at law or in equity which may exist on the Liquidator's behalf, and/or on behalf of the

creditors, members, policyholders or shareholders of the insurer against any person or entity. Pursuant to Tenn. Code Ann. § 56-9-313(b)(1), the Liquidator may, within two (2) years or such other longer time as applicable law may permit, institute an action or proceeding on behalf of the estate of the insurer upon any cause of action against which the period of limitation fixed by applicable law has not expired at the time of the filing of the instant petition for liquidation;

17. Respondent Universal currently has pending two separate actions against the State of Tennessee: *Universal Care of Tennessee v. M. D. Goetz, Jr., et al.*, USDC No. 3-03-0324 and *Universal Care of Tennessee v. M.D. Goetz, Jr., et al.*, Tennessee Claims Commission No. _____. In light of the parties and allegations involved, and in order to properly perform the evaluation of whether to continue to prosecute or to abandon these suits against the State, the Commissioner has retained the services of William B. Hubbard, Esq., of the firm of Weed, Hubbard, Berry & Doughty, as special counsel to advise and assist her as Liquidator in the evaluation of these lawsuits, in accordance with her statutory authority as set forth in Tenn. Code Ann. § 56-9-310(a)(14).

18. The Liquidator shall have the power to remove any or all records and property of the insurer to the offices of the Commissioner or to such other place as may be convenient for the purposes of efficient and orderly execution of the liquidation;

19. The Liquidator shall have the power under Tenn. Code Ann. §§ 56-9-315, 316, and 317 to avoid fraudulent and preferential transfers and any applicable recovery powers authorized under Tenn. Code Ann. § 56-11-213;

20. The enumeration of the powers and authority of the Liquidator shall not be construed as a limitation upon the Commissioner or Special Deputy, nor shall it exclude in any manner any right to do such other acts not herein specifically enumerated or otherwise provided for, as may be necessary or appropriate for the accomplishment of or in aid of the purpose of liquidation;

21. The amounts held in the custodial deposit account established by Universal with the Commissioner under Tenn. Code Ann. § 56-32-212(b) to assure continuation of health care services to enrollees of Universal in rehabilitation or liquidation, which by operation of law vests in the State of Tennessee immediately prior to the filing of the petition for liquidation, shall be furnished by the State of Tennessee to the Liquidator for these purposes in the liquidation of Universal, for which the Liquidator may draw down such funds;

22. **Notice.** The Liquidator shall give or cause to be given notice of the Order of Liquidation in accordance with Tenn. Code Ann. § 56-9-311 as soon as possible: (1) by first class mail and either by telegram or telephone to the insurance commissioner of each jurisdiction in which the insurer is doing business; (2) by first class mail to any guaranty association or foreign guaranty association which is or may become obligated as a result of liquidation; (3) by first class mail to all insurance agents of the insurer; (4) by first class mail to all

persons known or reasonably expected to have claims against the insurer including all policyholders, at their last known address as indicated by the records of the insurer; and (5) by publication in a newspaper of general circulation in the county in which the insurer has its principal place of business and in such other locations as the liquidator deems appropriate;

23. **Claims Deadline** - Except as otherwise established by the Liquidator with approval of the Court, notice to potential claimants under Tenn. Code Ann. § 56-9-311(a) shall specify in the notice and require claimants to file with the Liquidator their claims together with proper proofs thereof under Tenn. Code Ann. § 56-9-324, on or before 4:30 p.m., Central Time, **January 15, 2004**, for purposes of participating in any distribution of assets that may be made on timely filed claims that are allowed in these proceedings;

24. With notice given in accordance with Tenn. Code Ann. § 56-9-311, the distribution of assets of the insurer under Tenn. Code Ann. §§ 56-9-101, *et seq.* shall be conclusive with respect to all claimants, whether or not they receive notice;

25. **Protection from Suit.** Pursuant to Tenn. Code Ann. § 56-9-313, no action at law or equity or in arbitration shall be brought against the insurer or Liquidator, whether in Tennessee or elsewhere, nor shall any such existing actions be maintained or further presented or prosecuted after issuance of the Order of Liquidation. All claims must be submitted through the claims process as set forth in the Act, and as further defined in this Order. Whenever, in the Liquidator's

judgment, protection of the estate of the insurer necessitates intervention in an action against the insurer that is pending outside this state, the Liquidator may intervene in the action. The Liquidator may defend any action in which the Liquidator intervenes under this section at the expense of the estate of the insurer;

26. **Injunctions.** Pursuant to Tenn. Code Ann. § 56-9-105(a)(1-11), all persons, firms, corporations and associations, including, but not limited to, Respondent Universal Care of Tennessee, and its officers, directors, stockholders, members, subscribers, agents, attorneys, accountants, contractors, subcontractors, including, without prejudice to the generality, its management companies, Universal Care, Inc. and Universal Care Health Systems, their directors, agents, employees and officers, and any others, and all other persons with authority over or in charge of any segment of Universal's affairs, are prohibited and permanently enjoined from (1) the transaction of Universal's business, (2) the waste or disposition of its property, (3) the destruction, deletion, modification, or waste of its records, databases or computer files, or any records databases or computer files relating to or pertaining to the business of Universal, regardless of the control, custody or possession of such records, (4) the commencement or prosecution of any actions, or the obtaining of preferences, judgments, attachments or other liens, or the making of any levy against the insurer or against its assets or any part thereof until further order of this Court, and (5) any other threatened or contemplated action, not permitted under the Act, that might lessen the value of the insurer's assets or prejudice the rights of policyholders, enrollees, creditors or

shareholders, or the administration of any proceeding under the Act; and this Court further authorizes the Liquidator to apply outside of Tennessee for the relief described in Tenn. Code Ann. § 56-9-105(a);

27. **Cooperation.** Pursuant to Tenn. Code Ann. § 56-9-106, the officers, managers, directors, trustees, owners, employees, agents, attorneys, accountants, contractors or subcontractors of Universal, including, without prejudice to the generality, its management companies, Universal Care, Inc. and Universal Care Health Systems, their directors, agents, employees and officers, and any others, and any other persons with authority over or in charge of any segment of Universal's affairs, are ordered and required to cooperate with the Commissioner as Liquidator in the carrying out of the liquidation, including cooperating with the TennCare Bureau and the Commissioner as Liquidator in the orderly transfer of TennCare enrollees to another healthcare plan, as directed in the Amended and Restated Contrator Risk Agreement, specifically Sections 2-17 and 4-2. The term "person" shall include any person who exercises control directly or indirectly over activities of Universal through any holding company, parent company, or other affiliate of Universal. Further, the term "person" shall include any person who exercises control or who participates in the activities of the Universal, including through the record-keeping and computer systems operation relating to the activities of the Universal. "To cooperate" shall include, but shall not be limited to, the following: (1) to reply promptly in writing to any inquiry from the Commissioner requesting such a reply; and (2) to preserve and to

make available to the Commissioner any and all books, bank and investment accounts, pension accounts, documents, or other records or information or computer programs and databases or property of or pertaining to Universal wheresoever located and in his or her possession, custody or control. No person shall obstruct or interfere with the Commissioner in the conduct of this liquidation;

28. Pursuant to Tenn. Code Ann. § 56-9-307(e), the Liquidator shall make financial reports to the Court, which shall be filed within one (1) year of the Order of Liquidation, and at least annually thereafter. Financial reports shall include the assets and liabilities of the insurer and all funds received or disbursed by the Liquidator during the current period;

29. Any person, firm, corporation or other entity having notice of this Order that fails to abide by its terms shall be directed to appear before this Court to show good cause, if any they may have, as to why they should not be held in contempt of Court for violation of the provisions of this Order;

30. No bond is required of the Commissioner as a prerequisite for the filing of this petition or entry of this liquidation order or for the issuance of any injunction, restraining order, or additional order issued as provided by Tenn. Code Ann. § 20-13-101;


31. The Commissioner may apply to the Court for any further orders and injunctive relief which may be necessary to implement the terms of this order, or in aid thereof, to which the Commissioner may be entitled. This Court retains

jurisdiction for the purpose of granting such further relief as from time to time shall be deemed appropriate;

32. That this Liquidation Order is permanent and a final order and entitled to full faith and credit, pursuant to U.S. Const. Art. IV, § 1 and 28 U.S.C. § 1738, in the state and federal courts of each of the United States; and,

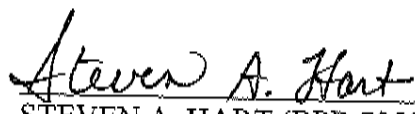
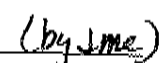
33. That this Liquidation Order be posted on the Tennessee Department of Commerce and Insurance website.

IT IS SO ORDERED.


CHANCELLOR CAROL M. McCOY

APPROVED FOR ENTRY:

PAUL G. SUMMERS (BPR 6285)
Attorney General and Reporter

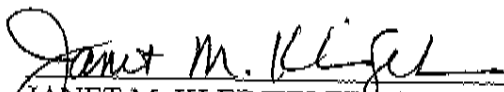
 (by )
STEVEN A. HART (BPR 7050)
Special Counsel
Office of Attorney General

I hereby certify that this is a true copy
of original instrument filed in my office.

This 2 day of 7 2003

CLAUDIA C. BONNYMAN Clerk & Master

By 
Deputy



JANET M. KLEINFELTER (BPR 13889)

Senior Counsel

Office of Attorney General

425 5th Avenue North

Nashville, Tennessee 37243

(615) 741-7403

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Final Order of Liquidation has been hand-delivered and/or sent by facsimile transmission to:

John S. Hicks
Baker, Donelson, Bearman & Caldwell
Commerce Center, Suite 1000
211 Commerce Street
Nashville, Tennessee 37201

this 25th of June, 2003.


JANET M. KLEINFELTER
Senior Counsel